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IWP Strategy – SME Competitiveness
GuestCentric Systems and its Internationalization to Brazil

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Executive Summary

This thesis studies the internationalization process of GuestCentric Systems to Brazil. GuestCentric is currently in operational breakeven situation, but yet, it has excess capacity and targets a niche market that has a huge necessity on the product offered. The study conducted focus primarily on the origin context and then on the host country.

First, it was addressed the environmental context of GuestCentric in the origin markets in order to infer the market functioning, the competitive analysis, the firm's positioning along with other relevant subjects. Assumed that GuestCentric' product was globally required and that the main criteria to internationalize were, among others, cultural similarities, market size dimension or potential growth, Brazil resulted as the most attractive country to internationalize for. A deeper analysis of Brazil was followed to find out the country's macro environmental context and then and more precisely, how the Travel & Tourism Industry works (GC's industry). Brazil proofed to be a very viable solution and the 2011 year an excellent and opportune time of entry. Some suggestions were then enumerated on how can GuestCentric best exploit its capabilities and resources and how the firm may operate in Brazil. Among them, is the creation of a direct sales channel, through a sales team, to increase sales propensity and effectiveness.

Keywords: *Internationalization; Brazil; Tourism Trends; Opportunities Online*

Methodology

The study was made through primary data which encloses data provided by GuestCentric and on secondary data which are recommended books and articles referred on the bibliography jointly with web research. Nonetheless, regular meetings were made with the Coordination of Professors Sónia Dahab and Filipe Castro Soeiro and with Mr. Pedro Colaço, President and co-founder of GuestCentric Systems.

Description of the firm

GuestCentric Systems (GC) is a Small/Medium Enterprise (SME) created in October 2006 that operates in the e-commerce area. It is prominently based in Portugal but it also has an international presence with some partnerships in foreign countries, namely in Spain, UK and USA. As a “dot.com” firm, widely accessible and intrinsically global, this becomes crucial to give this international presence to its customers and site viewers gaining credibility among them. GC’s customers are spread throughout the world. Only 15% of their customers are Portuguese, see *Appendix 1 – GC’s sales*. However and because of its e-business model, the firm does not need to have a wide geographic physical presence. To benefit of economies of e-processes the firm concentrates in Portugal the majority of its employees, 25 out of 27 (2 are in Spain). Pedro Colaço is the President & Co-founder of the firm, Filipe Tappenbeck is the Vice President of Product Management while João Trindade is the Vice-President of Marketing. The remaining HR’s enclose expertise in Product Management, Sales & Marketing, Operations & Support and Engineering areas. Still, the firm has a flat organizational structure, with an open space office, and workers are weekly involved in the strategic, operational and product improvement decision’s making. In terms of capital structure, founders have 65.9% stake, venture capital firms own 25% while employees have less than 10%. Considering GC’s costs, 70% are on human resources and 10% on the office’ rent. GC’s working process requires few supplier and with irrelevant expression. Besides the office renter, I would only highlight Rexspace, their server supplier.

Regarding its core business, GC **designs web sites exclusively for Independent Hotels (IH) improving their online visibility and sales by integrating a reservation engine.**

From the Travel & Tourism Industry (T&TI) and more specifically operating at the Internet platform (E-commerce), GC identified a gap in the market and a great necessity on the small/medium independent hotels (IH) worldwide that lack from an online

marketing and interactive booking platform viable options. GC provide a service to hotels (B2B), more specifically a Software as a Service (SaaS) to improve the lack of capabilities, skills, time, money and knowledge of them. GC is not an intermediate neither a software seller. **GC is a hotel supplier** that offers complete web-based e-commerce management software solution enabling independent hotels to easily promote their own property online and grow their business¹.

According to Pedro Colaço, GC is “the most flexible solution of the market able to access and reply multiple clients’ needs at the same time very rapidly, designed to serve thousands of clients right from the beginning”. Flexible because they can answer to several clients and at the same time give a customized answer to each one of them – customization vs. scale: mass customization.

Perspective on Business Mission and Strategic Objectives

GC’s **mission** is to maximize independent hotel’s visibility through the Social Networks (SN) and the e-commerce platforms, purposing to level the field of their customers in a way that small hotels can compete with the market leaders.

GC believes that people are their biggest asset, having a great team that shares a set of unique **values**. The creation of a **Team Spirit & Open Communication** becomes crucial to reach the success. They also **Commit to Excellence through Creativity and Innovation**, which are timeless goals to achieve, embracing change as an essential element of success. GC focuses on its **Customers**, understanding that their financial success is dependent on them. Above all, they treat with **Respect** and dignity each stakeholder or any other external or internal involvement parts of the firm’s processes².

Vision: Be the world leader hotel application service providers in the 2010’s decade

Strategic Objectives: Reach operational breakeven until 2012; achieve 1 million in net sales in the next 2 years; and internationalize into Brazil, China and France before 2015.

Mantra: Help small and medium hotels to compete at the highest level.

Environmental Context

Travel & Tourism Industry (**T&TI**) is one of the greatest sectors in the world and provides more than 235 million jobs worldwide – 8,1% of total employment. This is also one of the most influent industries concerning investment and exportations, contributing with more than 6% of the exports and 9% of the total investment³ T&TI has registered positive growth on the last twenty years with the exception of only 4 years (3 of them as a consequence of the 9/11). The contribution to the GDP in 2010 is estimated in approximately \$5.750 bn (9.2% of world GDP) and T&TI is expected to grow 0,5% in 2010 and to grow on an average of 4,4% over the next 10 years – see *Apdx. 2*. The number of international arrivals grown up from a mere 25 million quantity in the 1950 year to an estimated 806 million in 2005 – corresponding to an average annual growth rate of 6.5% - foreseeing the 1 billion bar to 2010 and 1,6 billion to 2020⁴. Not surprisingly, there are several players among the industry, more specifically in the online segment. This segment has been conquering an incredible position throughout the years. Online bookings in Europe counted for nearly 20% market share in 2006 and are expected to count for 35% in 2011 – 175% growth in only 5 years⁵. The E-commerce platform became an essential infrastructure in the travel industry being the principal font for travel planning, research, shopping, and booking (In Europe)⁶.

Industry Mapping

The key drivers that most affect the online tourism segment are:

ONLINE RETAILERS:

- **Online Travel Agencies (OTA)** are online retailers offering a wide range of travel products & services from flights, hotels, car rentals, to insurances and others. OTA's market share rose from 6% in 2006 to an estimated 12%⁷ in 2010⁸.
- **Supplier Direct Websites (SDW)** are the airlines, hotels, car rentals firms and others travelers' suppliers that sell directly from their websites integrating also some other

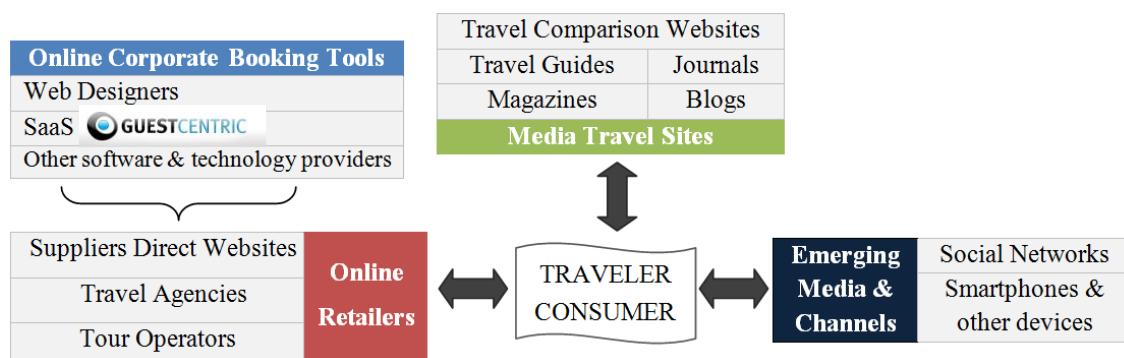
products, packages and services on their offerings. Low-cost carriers are among the most competitive, booking 70% through their own websites (2009)⁹.

- **Tour operators (TO)** also compete directly with OTAs and SDWs, though they only account for a quarter of the OTAs volume¹⁰. Their core business is typically to assemble and package the several suppliers' offerings into singular packages offerings, costing less than if bought individually by traveler or the proper OTA's¹¹.

ONLINE CORPORATE BOOKING TOOLS are the software providers and its technological solutions for the online retailers. It is composed by: independent web designers; SaaS like GC; and others providers like Amadeus and Sabre that give access to the GDS¹².

MEDIA TRAVEL SITES are platforms that help and improve the online traveler experience by providing information, acting as tourism guides. These can be sites that proportionate information regarding the destinations, as: opinions; reviews; rates; ideas; tips; photos and so on;¹³ or also travel comparison websites¹⁴ that make price comparisons¹⁵, by searching different online available offerings.

EMERGING MEDIA & CHANNELS these include both the use of social networks and the evolution and use of new devices – such as smart phones. This is a huge opportunity in, as these networks & devices can integrate booking engines and applications, challenging the travel distribution chain to explore new ways of reaching the consumer.



GC's customers, **Hotels**, are increasingly noting the importance of being present online accompanying the market opportunities and developments¹⁶. This problem recognition comes from both: internal stimulus – like finding out new ways of getting new and more

customers – and external stimulus – as a consequence of the consumer market trends and since the majority of their competitors is also gaining presence online.

Situation and Competitor Analysis of GuestCentric

Thus, and considering hotels' buying decision process, they have several alternatives in what concerns the satisfaction of this online “primary” need. When the Hotel want to use the internet as a sales channel, there are plenty players offering a wide range of solutions. One will assume only three solutions to satisfy the online presence:

- 1) Contract a **web-designer** to create their web site;
- 2) Opt to subscribe to third intermediaries: **online retailers**
- 3) Opt by requiring a **SaaS** that do both: site development & maintenance and online sales through the creation of the hotel's own site. This option also integrates vertically with other services like e-marketing, back office or property management.

Hotels can decide on the 3 options simultaneously, but it is more frequent that they choose on the 1st or the 3rd option, complemented with the 2nd; or singularly the 2nd. Independent hotels tend to look for extracting the maximum financial profits from any channel/option with the lowest possible input of time or money¹⁷.

Indirect Competitors

- **Online retailers** offer a very viable option since they promote the hotels and give an online presence with zero costs. They limit themselves on charging commissions on the generated sales, which became very attractive to hotels. OTAs can become in fact an indirect competitor of GC. An innkeeper that opts to be present online but with no costs, risks or none waste of effort may opt to be exclusively present on OTAs.
- **Web designers** are also indirect competitors because once a hotel opts for this option it becomes less likely to require GC services on the short/medium-term. It may occur not because they have a better or a more complete solution than GC but for lack of knowledge from the hotel owner that do not access to all the available market solutions to incur on which one would give them the best answer.

Direct Competitors (SaaS): Hotels sell their rooms throughout several sales channels ignoring their own propensity and capacity to sell directly to their clients. According to PhoCusWright, 82% of travelers would prefer to book directly on the hotel. What SaaS does is potentiate this opportunity by designing websites for hotels and integrating booking engines on them. Through an extreme customization, SaaS help IH to deviate their percentage of sales from the other several distribution chains to a proper channel without intermediaries or commissions¹⁸ directing the full margin to the Hotel. The importance of a fluid shopping customer experience is crucial and reflects on the hotels' results. As the reservation process time increases, the abandon rate increases¹⁹. Above all, SaaS can offer more and useful integrated services specifically designed for hotels, like back office tools or consulting, which none of the 2 others options can. Still, SaaS have a higher perceived risk by hotel owners, more specifically a functional and a financial risk. A huge slice of them might not be very friendly users of technologies and many might consider that the service do not worth the price charged. Consequently, this might led to rely on the 1st and/or 3rd options, even if those are not the most effective or efficient available solution. Nevertheless, SaaS are the most complete and effective solutions for S/M hotels and it explain, in a certain way, the existence of a countless number of firms with a huge range of solutions. It is a relatively new business concept (from this decade). In the table below is made a competitive assessment. There, are present the SaaS competitors that most resemble with GC in terms of: pricing, product features; size; targeting; geographic incidence; and strategic guidelines.

Table 1- Competitive Assesment	Eviivo	InnRoad	Mirai	Levarte	Ibooking	Guest Centric
Price (monthly)	496\$	10\$/room	3-5%*	\$50+2%*	5-8%*	400\$ or 3-6%*
Number of Clients	4000	N/A	600-900	300	600	610
WebSite Design Quality: 1-10	3	3	5	7	6	8
Connected to GDS	Yes	Yes	No	Yes	Yes	No
Connected to SN	No	No	No	No	No	Yes
Property Manag.	Yes	Yes	No	Yes	No	No
Origin Country	UK	USA	Spain	Australia	UK	PT
Target Countries	UK	USA	Spain	Global	Global	Global
Present in Brazil	No	No	No	No	No	8 Clients

*commissions on the site's generated sales

GuestCentric Analysis

GC follows a focus differentiation strategy and consequently their assets and efforts are leaning exclusively on a “single” customer needs - hotel’s niche market. Hotels are willing to pay a premium price for a service that better satisfy them (target with distinctive set of needs). In spite of relying on a bigger market size, a niche typically has a considerable size, high profit margin and growth potential²⁰. GC is a product-line specialist because the firm carries a mono product. Even having the capabilities and skills to produce sites & provide software to any other type of clients, GC abdicates to do it. For e.g.: *ibooking* targets accommodations, transportations and retailers firms.

Competitive advantages and distinctive competences: unlike competitors, GC has a clear market positioning serving a single target. This focus enables them to generate a superior performance and offer superior product features like the presence in social networking. It also permits GC to enjoy a mass customization ability/capacity making better websites and with differentiated/customized solutions for each client at the same time. Their remarkable value creation is finally derived from the alignment between the international vision strategy (global scope) and their capabilities & resources.

GC’s **core competences** are the creation of successful online marketing solutions generating sites with: the right content (SEO); booking engine integrated; and present on social networking sites (increasing brand exposure). GC solution is in fact very complete and aligned with the market contingencies: it is easy and fast to implement; much customized; regularly updated; and it has two payment options. The customization is internally required to reach an outstanding quality level. Nevertheless, the business model was build in a way that the firm could have the capacity to produce and provide “infinite” websites in what concerned technological barriers ²¹– human components might inevitably restrict that capacity. Moreover, customers have the warranty that the software is regularly updated since they are all lying on the same server. Considering the

market demand, the firm created two payment options to avoid losing some market (in spite of not being initially thought). Besides the monthly fixed option, GC also functions as a retailer: charging a fee on the hotel's site reservations.

Resources & Capabilities: GC does not highlight itself by its tangible resources such as financial possesses or physical assets. Instead, they have high quality human resources (HR) with distinctive skills and know-how. Moreover, the firm possesses intangible resources like: the high ended technology; the reputation provided by the awards; and the organizational culture characterized by a decentralized system that extracts all the potential from the HR of the firm generating respectful results/efficiency. In order to produce goods and services to meet individual customer's needs with near mass production efficiency, the web designers' productivity becomes crucial. Economies of learning are in this context a real important subject. At the beginning, GC's web designers required one month to make an average of 4/5 websites. Currently, GC had the incredible record of 25 sites launched in a single month (learning curves). The bar level to which they are prepared for, can not only make the firm give massive personalized answers, but also believe that the firm technological infinite capacity can be also nearly fully exploited by their employees. Its organizational capability in exploiting effectively the firm's resources contributes to a superior performance²² – *In Appendix.3*, there is a GC's SWOT analysis.

Industry Analysis

The e-commerce tourism market is at the growth stage and is characterized by a fragmented structure with a sales growth trend. The most influent forces are the threat of new entrants and the existence of many substitute products/services. Contrarily, bargaining power of buyers and suppliers, have a lower impact on the industry.

Threat of substitute's products: As referred previously, there are plenty ways to satisfy the "online presence" need. Moreover, hotels are price sensitive which increases

industry rivalry. Besides, hotels do not have switching costs and can switch their suppliers/intermediaries at any time, so the threat of substitute product/service is high.

Threat of new Entrants: When the investment is made, even though software might not serve to other purposes, the initial and maintaining costs are relatively low. Thus they might have low impact on entrance decisions. Additionally, at the internet platform, each player creates its “own” distribution channel which does not create dependence on thirds for entrance decisions. The threat increases on a daily basis as a consequence of the technological constant exponential growth. The number and type of new solutions constantly updated and implemented on the market increases this threat.

Other factors & forces affecting profitability: firms can be geographically located in countries where the costs are lower and thus gain cost structure advantages. This become particularly determinant in new entrants, in the introduction or growth phases that lack from financial stability, which have value, but yet need time to have opportunities to potentiate their real value and start generating profits.

Rivalry among firms: In fragmented industries, firms compete severely for the same clients and thus, “stealing” market share from each others being more propitious to enter into price wars²³. However, and considering that we are focusing on firms following a differentiation strategy, competition centers on quality rather than on price. For a deeper Industry analysis please see *Appendix 4 – Industry Analysis*

Criteria of Country selection – Market attractiveness

Considering GC’s current situation, the firm is inevitably pressured to increase their revenues or to reduce costs in order to become sustainable in the short-medium term and avoid bankruptcy. Reducing costs would only postpone the problem. Contrarily, looking for and collecting more customers would be beneficial and will allow taking advantage of the firm’s excess capacity – Market Development Strategy: current product; in a new market. When looking abroad, and considering that this is an opportunity/necessity with

a global scope, we must look to the near 200 “potential” countries available in the world. Thus, one will assume that the product is needed in any country. The most important criteria that GC must focus in is: 1) where the firm can enter with the lowest product adjustment as possible (to avoid extra costs & risks) – this includes primarily occidental cultures (with more similarities) and in a second plan languages as Spanish, English, or Portuguese; 2) which are the most attractive countries, in terms of size & growth potential – not only the actual size matters but also the future potential of the country/location has a significant impact on the sustainability of the international expansion of GC; and 3) in which countries there are more internet users and more social networkers accounts considering that is through it that GC can differentiate from the competition and benefit from their most evident competitive advantage.

Table 2 – Criteria of Country Selection									
Country	Size (40%)		Expected Growth Rate (25%)		Internet users (20%)		SNU (15%)		Total Score
	Score	Weight	Score	Weight	Score	Weight	Score	Weight	
Brazil	3	1,2	5	1,25	4	0,8	4	0,6	3,85
Germany	5	2	1	0,25	4	0,8	3	0,45	3,50
France	5	2	1	0,25	3	0,6	3	0,45	3,30
Australia	3	1,2	5	1,25	2	0,4	2	0,3	3,15
Italy	5	2	1	0,25	2	0,4	3	0,45	3,10
Mexico	3	1,2	4	1	2	0,4	2	0,3	2,90
Canada	3	1,2	3	0,75	2	0,4	2	0,3	2,65
Austria	2	0,8	5	1,25	1	0,2	1	0,15	2,40
Netherlands	2	0,8	1	0,25	2	0,4	2	0,3	1,75
Switzerland	2	0,8	0	0	1	0,2	1	0,15	1,15

*Data and respective sources that allowed doing the rating is on Appendix 5; Criteria is on the table below

Rate	Criteria	Market Size (\$bn)	Expected Growth (%)	Internet Users (millions)	Social Net Users (millions)
1 – Very low		50-80	2-3	0-10	0-5
2 – Low		80-100	3-4	10-30	5-20
3 – Med		100-150	4-5	30-60	20-30
4 – High		150-200	5-5,5	60-90	30-50
5 – Very high		>200	>5,5	>90	>50

Table 2 pointed Brazil as the most attractive country, followed by Germany and France. Ranking the 13th position of the T&TI sector in terms of dimension, with an expected growth of 5,6%²⁴ per year for the next 10 years (on average), Brazil reveal to be the

most attractive destination. Additionally, there are certain details that can make all the difference and highlight Brazil as a very striking option: the official language is Portuguese; it is an emergent potency; still in a “pre-mature” stage; and so, with a high propensity for development/wide-ranging opportunities. In **Appendix 5**, you can find specific data about countries and the filter to those 10 countries (1st selection criteria).

Analysis of Brazil

Located in the American Continent within the south hemisphere, Brazil is the 5th largest country in the world in population and geographic size²⁵ (larger than Europe – excluding Russia – and with 200 millions habitants, more than half of the European population). Politically, Brazil has been well administrated since the last two decades and there is a belief that the country attained a sustainable economic and political growth. “For the first time in its history it has found a combination of economic growth, low inflation and full democracy—and the good fortune looks set to continue”.²⁶ Brazil recovered from the world economic recessions faster than most of the developed countries, which is other reason for being seen as an emergent and solid potency. The GDP has consistently registered a positive growth in the past years, on average 5%²⁷. According to the International Monetary Fund, Brazil is currently the 8th largest economy in the world after Italy and followed by Spain, with a GDP of \$1.574 bn, and will be ranked in the 5th position by 2015. Brazil is also gaining a global dimension both on the international events promoted internally – ranking 7th according to the International Congress and Convention Association – and externally as a reference on Latin America countries and simultaneously present in many international organizations like G20 and IBSA. Thus, Brazil is becoming a global reference in environmental, social and economical matters. The external policies are contributing for integration and nowadays the country is more open, which encourages FDI. Aligned with the rising of external trades, this will boost the country’s economy, highlight it at the internal level and prompt development.

Still, Brazil cannot be entirely compared with developed countries, mainly for social reasons. Besides the political efforts to decrease social inequalities, one quarter of the population is living below the poverty line. Still, the country lives clearly better days. The interest rates decreased (mainly due to the state control) and as a consequence so did the inflation rate being now stable between 3 and 5%²⁸. Also, the unemployment rate decreased from nearly 13% in 2002 to 7% in 2009²⁹. Thus, the purchasing power increased and so did the families consumption on an average of 5%. Moreover, the Government encouraged banks to create specific credits for tourism consumption. These factors become particularly important because they proportionate more internal tourism practices and contribute to the sector development and growth. The development of the country also has strengthened the local currency throughout the years. By the time of this study, the exchange rate was USD1 \approx BRL1,70 (from 3,5 in 2003³⁰). This increases the purchasing power of the country in the external market, namely, the capacity to incur in external supply services such as the offered by GC.

Brazil Travel & Tourism Industry Analysis

“Having worked in basically every continent in the world, I have yet to see a country with such potential as Brazil.”³¹ Brazil is currently the 35th most visited destination in the world and the 4th of its Continent³². “Historically, the growth of international tourist has been greater than the economy growth”³³. Brazil possesses a wide variety of scripts (from historical and cultural richness along with several other tourism attractions. According to the Ministry of Tourism (**MTur**), during the last decade, the number of visitor grew 133%. From the 3,5 million visitors in earlier 2000’s the number jumped to 5 millions in the end of the decade. World Tourism Organization estimate that the international arrivals will grow on an average of 6,4% per year over the next 10 years. The contribution of the T&TI to the GDP is almost 6% which corresponds to US\$109,7 bn³⁴. National tourists only represent 20% of the whole activity, against to the 80%

contribution of foreign. There is also a crescent demand of foreign investors in the sector.

Nevertheless, tourism has been a priority to the government, mainly since 2003 when MTur was created along with the Tourism National Plan. The plan composes several activities, actions and projects to boost the sector. In the last 5 years, the internal investments on the tourism sector increased 155%. Nonetheless, Brazil is hosting the World Cup 2014 competition and the 2016 Olympic Games (**WC&OG**). According to the MTur, there are expected an extra 500 thousands visitors during the WC. Consequently the sector passes through a deeper transformation. Given the reception of those events, Government is obviously the main interested in improve the sector and develop the country. Also he is hardly investing in infrastructures such as airports or railroads, and at the same time is launching several and specific plans to prepare the country to the WC&OG events, such as: the “*Cartão Turismo CAIXA*”, the “*Pró-Copa Tourism Credit*”; the “*Plano Aquarela*”; The “*Professional Qualification Program*”; along with fiscal and tax incentives. For a more detail information on the specifications on each policy measure please consult **Appendix 6**. For a macro environmental analysis of the country, please consult **Appendix 7 - PESTEL Analysis**.

Market Structure: Brazil Tourism Industry management structure is decentralized. Government proposal is to create a sharing and decentralized dynamic structure based on three vertices: government (public entities); private initiatives; and third sector. It encompasses national, regional and municipal organisms – illustration on **Appendix 8** According to the MTur, Brazil has more than 25.000 lodging options –. Hotels had increase their average profits from 12% to 23,5% between 2004-2008 and are enjoying from industry’s evolution stage – in **Appendix 9** find close information on the number of Brazil hotel’s and its profits evolution. In parallel with the world tendency, the industry is very fragmented and 93% of the hotels are not affiliated with a major brand. “The

industry was mostly (and still is) independently controlled by family operations and lacked a level of international sophistication in product quality, services and accounting standards”. Brazil T&TI is still in a premature stage in what concerns technologies and procedures. The Brazilian typical consumer still uses the phone to book/reserve his rooms. It is quite regular to find hotels websites asking to call them, which is mainly as a consequence of the low qualification of industry workers. This situation can become a threat on the GC’s product benefits deny/reliance.

Market Segmentation: Brazil is a Federated republic with 26 union federal states. It can also be divided into 5 main regions: North, Northeast, Midwest, Southeast and South. These regions share similar characteristics within them in what concerns cultural and economic aspects. Southeast is the most powerful economical and demographical region. This region encloses the States of *Espirito Santo, Rio de Janeiro, Minas Gerais e São Paulo*. In spite of only counting for 10,85% of the country’s area, it is where 42,63% of the population lives. Moreover, it is responsible for 35-40% of the total tourism offer of the country (which corresponds to almost 10.000 hotel properties). Within this region, the metropolitan areas of São Paulo and Rio de Janeiro retain almost 20 and 12 million habitants respectively, being the great centers of the country and of all Latin America. In *Appendix 10*, it is a Brazil map that illustrates population density.

Market trends: Currently, e-commerce contribution to the GDP is nearly 1%, with clear tendency to grow. Many factors have been contributing to the e-commerce growth in Brazil. Among them are the consumer behavior, perceptions and demand. The increase of internet security level or the PC penetration which is currently 32% and is expected to grow to 50% until 2015³⁵. However, from those 32%, only one third has internet access – 58% through fixed line and the rest through dial up (Broadband). Still, internet users are not restricted to those nearly 21 million internet subscribers. In less affluent areas of Brazil, users go to ad hoc Internet cafés, called LAN (local area network) houses, to

access internet – charging nearly R\$1/h. This totals 65M internet users on the whole country. From those, 69% engage in social networking and 17% in e-commerce³⁵. As sophisticated handsets become available, more and more digital consumers will turn to mobile internet to meet their online needs. SIM Card penetration is higher than 85% of total population, but only 10% are mobile-phone internet users – 11 millions³⁵. In developing countries, user habits unfold differently and evolve at rapid rates. New services and behaviors quickly become mainstream activities. In BRICs markets there is a tendency on skip the PC ownership stage directly to mobile internet users, and especially on Brazil where the access to broadband is high costly (\$27/m on average) contrarily to the affordable 3G service but limited geographically yet. This is an opportunity for GC, which cans “analogously”, skip consumer patterns and drive consumers to learn booking directly from hotel’s websites instead of from OTAs. For more detailed information on consumer’s patterns see *Appendix 11*.

Market rivalry: Brazil is quite undeveloped in what concerns this SaaS concept. The absence of GC’s direct competitors, as we seen before, is the first proof on that. *Webbusiness Serviços de Informática LTDA*³⁶ (WSI) is the most similar firm to GC in Brazil. With more than 1.300 clients, WSI is the detached market leader. Similarly to GC, WSI also exclusively target hotels, offering back office software and integrating the booking engine on websites as well. WSI has a reservation/promotional portal that gather all its customers together. The market knowledge and the relative dimension of the firm are two factors that might intimidate GC. However, WSI do not make websites and do not have a global scope which might be a huge drawback/opportunity for GC. As we mentioned before, to satisfy that online “primary need“, hotels have two more options besides SaaS, which are online retailers and web designers. Online retailers are quite present and with a relative adherence rate. On its turn, Web designer’s offers are on average up from \$400-500³⁷ – for a basic site without a booking engine. In general,

web designer's competition is on price instead of quality which is a threat for GC as it might fend potential customers.

Market Need/Opportunity: With a very similar culture and speaking the same language, Brazil becomes quite attractive by several aspects. Between them: the size dimension – 65M internet users or the 25.000 potential clients; the expected growth; the evolution and dynamization of the T&TI; the WC&OG events; the market trends; the lack of technology and higher quality patterns; or consumer behaviors. Brazil is a perfect market to GC put in practice its product benefits and takes advantage of its competitive advantages. Also the timing is opportunistic considering the political incentives and measures, the near events or the absence of effective direct competitors – first mover advantage. For a deeper on the Brazil T&TI attractiveness, see *Appendix 12*.

Target & Positioning

As the most visited city of the country and with undeniable tourism beauty attraction, **Rio de Janeiro (RJ)** possesses most of the major world 5 star hotel chains of the country (located on the south zone along the beach). Still, the city is complemented with a wide range of options spread across the city. Center is the region with more choices and with a growing amount of 3/4 star hotels, boutique-style *pousadas* and youth hotels (mainly in the rich area of *Lapa*). Within a radius of 100 km of RJ, compressing the regions of Petropolis, Saquarema or Angra dos Reis, there are also several luxury hotels, namely, “*Hotel Fazendas*”. Similarly, **São Paulo (SP)** 5 star hotels’ are located in the city center, at *Paulista Avenue*. 3 and 4 star hotels are dispersed throughout the city as are several youth hostels and apart-hotel complexes. Surrounding regions of SP may not be as attractive as RJ, but the city of SP is estimated to have more hotel properties than RJ. Thus, GC’s target in Brazil can be divided in three main categories:

1. Independent Properties
(Conventional Hotels)

2. Boutique & Design Properties
(Luxury Urban Hotels)

3. Hotel Fazendas
(Rural Luxury properties)

Internationalization Process:

Firms' adopting a **global strategy** chooses to maximize integration and rely on local responsiveness pressure (consumer's taste divergences). This decision spurs a firm to make and market a standardized product, for a specific global market segment. Thus, global strategy pushes firms to manufacture products on a global scale in few highly efficient plants and marketing them through a few focused distribution channels³⁸. GC's follows a global strategy and its **motivations to internationalize** are mostly to increase sales. Besides that proactive motivation, GC also will minimize its risk on depending in few markets while at the same time will be able to use its excess capacity. In terms of reactive motivations, in Brazil GC have a technological, a first mover advantage and a superior product offering. Moreover, it will propitiate a higher proximity to stakeholders of a key emergent market. GC's internationalization to Brazil may not make them access to inexistent resources in the domestic market but can highly contribute to their learning process and to their global competitiveness index growth.

Modes of entry

Currently, GC already sells the product to the concerned country, the same way that sells to any interested customer in any part of the world. The problem is that apparently, the market does not know it, yet. Internet sales channel, as a single distribution channel seems to be insufficient. That explains why markets where GC conducted a closer internationalization approach like USA, UK or Spain represent almost 2/3 of the GC's sales while France, Germany or Brazil – that are also part of the top 15 world's T&TIs – only count with 10 clients (2 French + 8 Brazilian). In these “successful” markets, GC opted to export by creating its own distribution channel (direct selling). The entry mode decision depends on the firm; on the host; and on the home country related factors. GC's business model centralizes production and processes on the home country and sales on the host countries. Other entry modes besides exporting – such as licensing, franchising, FDI or alliances – become meaningless as they will not bring any added value to GC (do

not contribute to sales). Contrarily, Direct or Indirect Exports are a pragmatic approach as they are less risky, timely and costly – they are directly traduced in sales. On the other hand, GC is more exposed to market contingencies – the strategy passes by creating a local sales team and looking for other potential partners & resellers.

Marketing Strategy

Product strategies – GC's product was made to fit global and local needs with few/none product adjustments. This will be a product that will satisfy the Brazilian market needs without any changes on the core product. Nevertheless, two product upgrades can be made to potentiate product efficiency and effectiveness and increase the propensity of sales. Brazil's most used social network is Orkute (30 million users out of the 36 million). GC's product is not available in this network yet, but must be even before firm's entrance. Also GC's booking engine payment options must be extended to encompass local consumer habits. Bank transfer option must be added.

Pricing Strategies – The product is worldwide provided and sold through internet, which means that customers have access to the prices charged. Considering that, GC has to and cannot charge any other prices than the single-one practiced on its own web-site. Also, there are no internal cost factors that could justify a price adaptation to the Brazilian market. So, the global product line price strategy has to be maintained in each specific market, whereas it is Brazil or other country, cannot exist an exception. Fortunately, the real currency trend is to become stronger which enables Brazilian hotels to afford more easily the expense, namely the fee. Currently the US\$400 charged by GC corresponds to R\$680. Note that the inexistence of import taxes in these products and services provided online will not influence negatively the consumer, which is positive .

Promotion – Considering the budget limitations, promotion will not obviously be made through massive advertising. It would be good to generate product awareness and create the necessity on the hospitality sector's mind. Still, that method would not be neither

effective nor efficient. Indeed, the number of customers is relatively small; the buyer's information needs are high; and at last the purchase can be quite relevant on hotel's future performance (both financially and strategically)³⁹. So, on the other hand, a pull strategy fits perfectly the market and product contingencies. Pulling the consumer is quite beneficial for two main reasons: 1) you leverage the right costumers; and 2) you pass the right message. The lack of knowledge of the market, the specificity of the product features and benefits, and the niche market target by GC are enough reasons to justify a pull strategy approach. Basically the interaction between seller and buyer is higher, which can be determinant on propensity to sell. This includes: 1)“call center”;2) E-commerce; 3)Mass mailing; 4)Newsletters; 5)Public Relations (PR); 6)Direct selling or door-to-door sales; and 7)Partnerships platforms. To increase GC's site effectiveness, it could be created 2 or 3 case studies exemplifying Brazilian success GC's customers. Brazilian hotels would obviously become more aware and attractive to them. The presence in congresses, fairs and tourism events are also important promoting channels. It is an excellent opportunity to show the product to many clients at once. The announcements in magazines or newspapers can be justifiable but only in the medium/long term and in tourism specialized media.

Place strategies – The focus areas will be the cities of SP and RJ which are the locals that contain more hotel's and industry' incomes concentration. Distribution will be made through internet and direct sales force channels. Sales strategy will rely on attractive commissions on each contract closed by Sales Agents (SA). The selling process is relatively simple considering the homogenous customers and the single product. With the right sales force structure and defined roles, GC's profits can be maximized and customers reached (product and market focus lead to efficiency). Brazil is in fact the 2nd largest direct sales retailer country in the world, after USA⁴⁰, which shows that these practices are intrinsically and culturally common. Yet it requires training & recruitment

of the right people. Moreover, training (product knowledge) and commissions (motivations) of the *SAs* are key determinants on the success of the sales process. *SAs* will be Brazilian, so that market knowledge competency is attained and legal constraints are overcome. *SM* will monitor, control and motivate *SAs* and make the bridge between local operations and GC headquarters. Still, its competencies are extended to local promotion, participation in tourism events, fairs and congresses, joining local associations or create partnerships with other possible resellers – Indirect Exporters.

Implementation Plan

Men: *SM* activities and responsibilities will be based on two main guidelines: 1) recruit clients and 2) looking for potential partnerships. At the present, the most appropriate person to do the job is the GC's actual Senior *SM* in Spain. This will be our PR which phone number will be at GC's site in the "Our Offices" link (serving as the local "call center"). After his arrival in Brazil, *SM* goal in 6 month horizon is to create and manage a sales team composed by local people. So, his tasks are the recruitment and training of those *SAs*. The sales team size should be composed in a step by step approach. At the end of the first year, the sales staff number is expected to be between 2 and 3 members. The *SAs* will make door-to-door sales. Their salaries will be exclusively on commissions of the contracts closed. After that, he is responsible for the monitoring, supervision and motivation of the team. This includes the establishment of customer's target zones, drawing short/medium/long term goals and creating a compensation plan. Parallel, he is aimed to spread the brand throughout the country, identifying new business opportunities, fostering possible partnerships – indirect exporters.

Money: on pre-implementation phase, the CEO will need approximately 3 business trips to ascertain Brazil. Transportation, accommodation and other costs will sum on average €15.000 - **Appendix 13.** *Sales Manager* contract will keep its current conditions – a fixed salary plus extraordinary compensation (as stock options). *Sales Agents*, on the other

hand, will work on a commission basis – 25% under the total invoice value of customers raised. Brazil's minimum salary is rounding R\$6630⁴¹. Thus, only by arranging 3 contracts, they will reach this value, which is very motivating. Still, GC will have to subsidize communication and transportation costs, namely phone calls, broadband and gasoline for staff movements. Operational costs may oscillate between 10/15.000€ on 1st year. Yet, invest on equipment is not required since production will remain in Portugal.

Table 3 – Revenue & Cost Predictions					
Year		0	1	2	3
Sales Forecast*	Number of Clients	-	100	230	582
	Brazil Market Share	-	0,37%	0,85%	2,33%
	Value	-	480.000\$	1.104.000\$	2.793.600\$
Cost Prediction	Business Trips	-15.000\$			
	SAs Commissions	-	120.000\$	276.000\$	698.400\$
	SM Salary	-	26.000\$	27.300\$	28.665\$
	Staff Subsidies	-	15.000\$	20.000\$	25.000\$
Revenues – Costs		(15.000\$)	319.000\$	780.700\$	2.041.535\$

*Sales forecast are explained in appendix 13

Minute: The process will be divided in three phases: pre, implementation and post implementation. The *pre* phase will comprehend the market knowledge process and the first and general approaches such as creating the first contacts, attending to some meetings/events and reconfigure some details on the overall internationalization strategy. During this period, the adaptations on the product such as the integration on Orkute platform or the creation of new types of payment will take place. Also the Brazilian examples must be included on the “Case Studies” link on GC's site⁴², before the end of this stage. On the implementation phase, SM is aimed to create the sales team and their respective recruitment and training process and take off the firm strategy on the ground. After initiating direct selling, start the monitoring and the linkage to the headquarters along with the PR role. At the end of 2 years the creation of a local office might be justified jointly with an investment on equipments to sustain a broader approach on the country. The *pos* phase relates to the continuation of GC's international expansion to further countries. In 2014, the end of WC will probably reduce tourism and this may be

an excellent timing to expand. GC may take advantage of its strategic positioning in Brazil to attack and foster near attractive markets as Venezuela, Argentina or Mexico. Table below presents a short implementation plan schedule – in *Apdx 14* is the full form.

Table 4 – Implementation Plan Schedule													
Actions / Time		2011						2012		2013		2014	
		Feb	Mar	Apr	May	Jun	2S	1S	2S	1S	2S	1S	2S
Pre-entry	Business Trips												
	Competitor analysis												
	Mode of entry												
	Cost prediction												
	Sales forecasts												
	Product Upgrades												
	Key issues												
Entry	Sales Team creation												
	Targets												
	Direct Marketing												
	Monitoring												
	Promotion activities												
Pos-entry	Preparing WC 2014												
	Seek new markets												

Memo

Strategic theme	Objectives	Measurement	Target	Initiative
Financial	Increase sales	Nº of clients/ contracts sold	1,3% market share at the end of 2 years	Direct sales marketing strategy
Customer	Create awareness Consolidate brand	Market share + Market induction	Infer main tourism institutions & organizations	Presence in conferences, events, tourism fairs. Increase promotion
Internal	Increase staff and create local office	Existence of an office & Nº workers	Get office before 2 years & local team of 10 members	Search strategic positioning & potential workers
Learning	Understand cultural & market contingencies	Sales process efficiency & effectiveness	Triple the ratio of <i>Visited customers</i> <i>Fixed contracts</i>	Learn with native staff, involve them on strategic planning process

Risk Analysis/Contingency plan

In a macro perspective, one of the most important issues in this approach will be the Brazil's capability to keep the sustainable growth. More specifically, will the T&TI become vulnerable after the WC&OG events? Political and financial measures are created, with the aim of creating a positive impact on the field. Government has been successfully erasing social and regional disparities but Brazil still lacks good infrastructures or skilled people. Tough, Brazil may keep its attractiveness in any case.

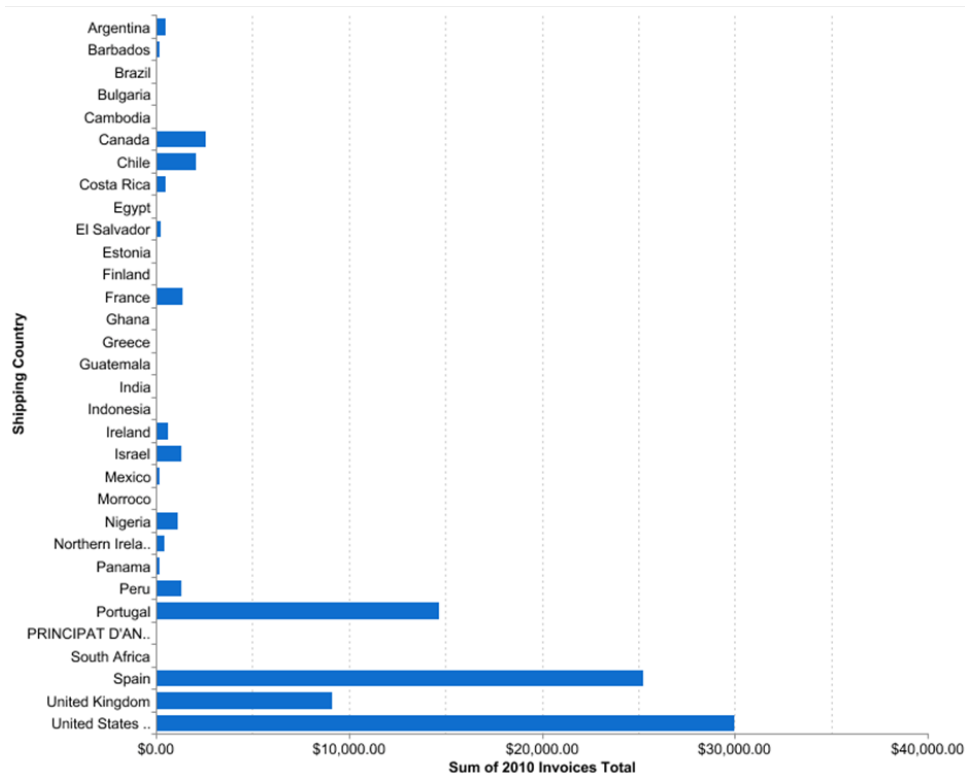
Risks of this mode of entry are related with operational concerns instead of financial ones. As we saw, it will require low investment. However, arranging a competent sales team with trustful and skilled people might be the tuff goal at the beginning. Efficiency and effectiveness of the sales agents are primary determinants on GC's success. Brazilian "overheated economy" might also be a worry as the employees are constantly being attracted by other offers which can make GC pass the risk of giving formation to see them leave further. However, the 25% on commissions are significantly attractive to decrease that risk. Contrarily, exchange rate will always inevitably be uncontrollable.

Conclusions and Recommendations

Considering Brazil's size dimension (25.000 hotels – ten times bigger than Portugal), its political stability and its economical growth propensity and specifically the T&T sector, it seems an excellent internationalization option. It also gathers all the conditions to become a determinant market for GuestCentric in a medium term if we consider the following events or the market trends in terms of internet and social network users. In spite of my study limitations – in terms of time and resources – I believe that GC can in fact establish in Brazil with residual costs and with a high likelihood of success at the same time. As proposed previously, the direct and indirect export modes of entry require an investment of 15.000€. With this "invasion", the firm will certainly guarantee enough customers to cover that value, even in the worst scenario case – if the purposed scenario happens, GC can cash over 3\$ million in 3 years. GC is nearly forced to incur in this low risk incursion/high potential return choice, given its current financial situation and its excess capacity. In terms of "field" actions, in **Appendixes 14 & 15**, I inclusively propose some *business etiquette tips*, *potential stakeholders* and a *detailed business agenda* to facilitate and propitiate GC's entrance in Brazil. The time is ripe given the country's contingencies. A delayed entry might be enough to prepare the upcoming tourism events but not to take advantage over the competitor's more than likely future establishment.

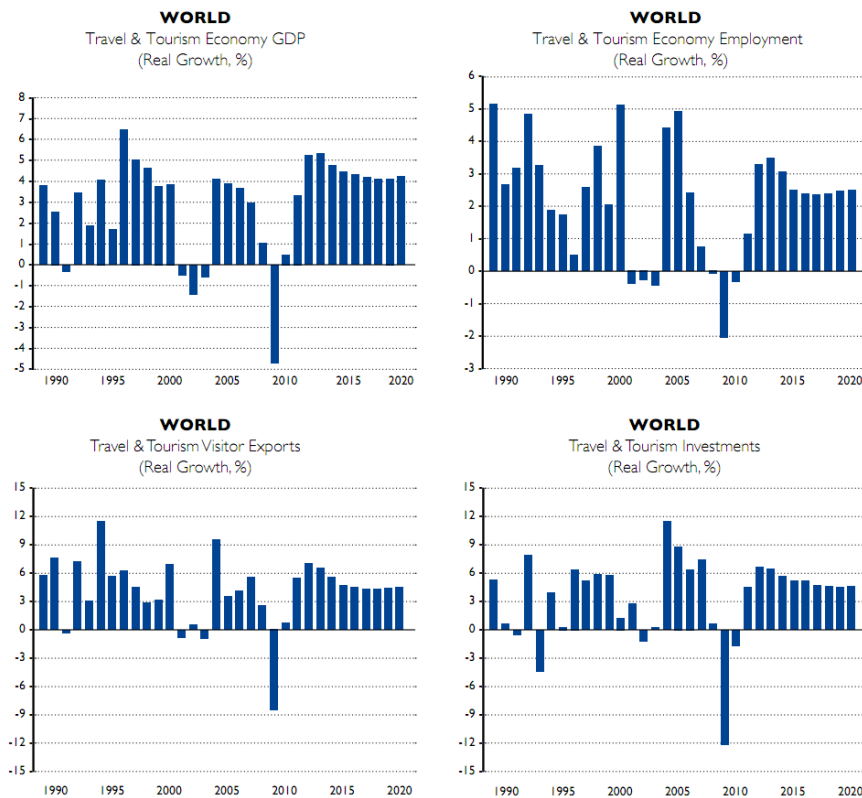
Appendixes

Appendix 1 - GuestCentric's Sales



Source: GuestCentric Systems

Appendix 2 – Industry Evolution and Predictions



Source:

World Travel & Tourism Council

Appendix 3 – GC’s SWOT Analysis

Internal Factors	Weight	Rating (1 5)	Score	Comments
Strengths				
Price	0,25	4	1	The price is attractive if you consider the potential profits. Still, hotels are cutting costs in all their VCs
Easy & Fast implementation	0,2	5	1	One site can be promptly done in few hours/days
Customized Product	0,2	5	1	Each client can have its own website personalized
Software regularly updated	0,15	4	0,6	The product performance depends a lot on the software new technology updates/grades
Connection to Social Networks	0,1	4	0,4	It increases a lot the product potential
“Outsourced” to Portugal	0,1	4	0,4	Being in Portugal enables GCS to reduce costs relatively to the European Countries
Weaknesses				
Low promotion	0,35	4	1,4	In spite of being the first link appearing in Google on the “hotel booking engine” search, GC may not be very visible to independent small Hotels.
No access to GDS	0,30	5	1,5	GDS give higher visibility to hotels and increases a lot the sales potential.
Not very enlightening site	0,20	3.5	0,7	In spite of having a very attractive layout and demonstrate the service benefits, it is not clear what do they sell
Only 2 languages available on their website	0,15	3	0,45	The more languages you have available, the higher will be the potential interested clients.
External Factors	Weight	Rating (1-5)	Score	Comments
Opportunities				
High market need	0,3	4	1,2	Hotels, namely SME, do not have the resources/capabilities to create their own site.
Growth of internet users worldwide	0,25	4	1	Internet is becoming the most powerful communication main
E-commerce expansion	0,25	5	1,25	Not only exists more internet users, but also the monetary transactions online are increasing.
Tendency to customization & network	0,2	5	1	In highly competitive markets, firms look for differentiation
Threats				
Lack of knowledge	0,35	5	1,75	Hotel owners tend to discourage on new technologies.
Many solutions in the market	0,3	5	1,5	Not only there are already many existing solutions in the market but also there is the risk of new entrants with revolutionizing technologies
Hotels tendency to cut costs	0,35	4.5	1,575	Pressured to contain costs, hotels may tend to marginalize this type of offers

Appendix 4 – Industry Analysis (Porter 5 forces)

Threat of New Entrants		Overall impact: High	
Factor	Notes	Existence	Impact on entrance
Economies of scale	The Marginal cost per client decreases substantially as you get new ones. However, the technological capacity is easily expandable and you can operate with few “production” and still compete with the largest “producer”	Yes	Low
Product differentiation	Low levels of advertisements and promotions are practiced among this sub-industry	Insig.	Insig
Capital Requirements	A dot.com firm usually requires lower investments.	Insig	Insig
Switching costs	The intangible possesses might be extremely specific in a way that cannot be reusable for other ends, but as the initial investment is low, the switching costs will below as well	Yes	Low
Difficulty to access to Distribution Channels	In this market you can reach the consumer without costs or dependency on thirds/intermediaries. However, key partners potentiate a lot your visibility.	Some	Medium
Cost Disadvantages Independent of Size	Market share do bring advantage but it is not enough by itself. Small firms can easily adopt a kind of judo strategy and enter unnoticed.	No	No
Governance Policy	Despite some countries condition the net use, it is not the worldwide tendency	No	Insig

Rivalry Among Existing Firms		Overall impact: Medium High	
Factor	Notes	Existence	Impact on rivalry
Number of Competitors	Fragmented industry, which means there are thousands of firms with few market share	Abundant	Moderated
Rate of Industry Growth	Firms fight for the same customers; margins are low; price wars are propitious.	Yes	High
Product/Services characteristics	Firms try to differentiate with different strategies, approaches, and/or P/S features. However, clients are price sensitive which led firms to compete on price as well.	Yes	Medium
Amount of fixed costs	Each firm has its own facilities programmed to serve thousands or millions of clients. However, the costs are directly proportional to the Market Share of each firm and do not creates conflicts (at least directly)	Insig.	Insig.
Capacity	Firms can increase capacity with irrelevant costs	No	Zero
Exit Barriers	This business does not require high initial investments nor expensive licenses to operate	Low	Very Low
Diversity of Rivals	There are several different types of solutions available to the same clients	Yes	High

Threat of substitute products/services		Overall Impact: Very High	
Factor	Notes	Existence	Impact on the threat
Client switching costs	Each hotel can replace its services at zero costs	Insig.	High
Number of solutions	There are innumerable solutions/ substitute products/services	Yes	High
Type of solutions	This is an innovative industry where new ideas and solutions are implemented and introduced everyday	Yes	High
Price sensitiveness	Clients are considerable looking for the best market solution at the lowest possible cost	Yes	High

Bargaining Power of Buyers		Overall Impact: Low	
Factor	Notes	Impact on Buyer's power	
Proportion of buyer purchases	S/M hotels have low % of sales of a single OTA or SaaS	Insig.	
Potential to integrate backward	Only big firms do justify to create their own web platforms and supporting the costs of maintaining and developing; SME do not	Zero	
Alternative solutions	There are plenty, as previously referred, which increases the Buyers' purchasing power. However, there is also a certain dependence on a loyal supplier	Some	
Switching costs	Irrelevant; almost zero. This can increase the propensity to change from P/S.	Some	
Price sensitiveness	S/M hotels look for best prices which can influence their decision on changing the suppliers	High	
Product/service importance	A good product/service choice can be determinant to any hotel in a way that the P/S can even become irreplaceable and create dependence on a single and reliable supplier.	Negative	

Bargaining Power of suppliers		Overall Impact: Very Low	
Factor	Notes	Impact on Supplier's	
Number of suppliers	The firm require several suppliers with few expression individually except for the office income	Insignificant	
Capacity to integrate forward	Possible but extremely unlikely	Zero	

Appendix 5 – Country’s Segmentation & Data

Market size Rank	Country	T&T Industry*		Internet platform (millions)	
		Market Size (\$bn)	Expected growth (next 10 years)	Internet Users**	Social Networking users***
1	USA	1.376	3,7%	231	142
2	China	500	9,0%	298	N/A
3	Japan	460	2,5%	90,9	46,6
4	France	284	2,3%	42,9	26,8
5	Germany	273	2,7%	61,9	28
6	Spain	238	1,8%	25,2	19,5
7	UK	231	3,2%	48,8	29,1
8	Italy	217	2,4%	25	18,3
9	Canada	136	5,0%	25	?
10	Australia	123	11,3%	15,2	9,9
11	Mexico	121	5,1%	23,3	?
12	India	118	8,5%	81	N/A
13	Brazil	109	5,6%	65	31,3
14	Russia	93	5,7%	45,3	N/A
15	Switzerland	72	0,6%	5,8	2,4
16	Korea	70	4,6%	37,4	N/A
17	Turkey	69.5	4,5%	24,4	N/A
18	Netherlands	62	2,6%	14,3	?
19	Austria	52	9,6%	5,9	?
20	Indonesia	51	1,2%	30	N/A
(...)					
28	Portugal	37	4,0%	4,4	N/A

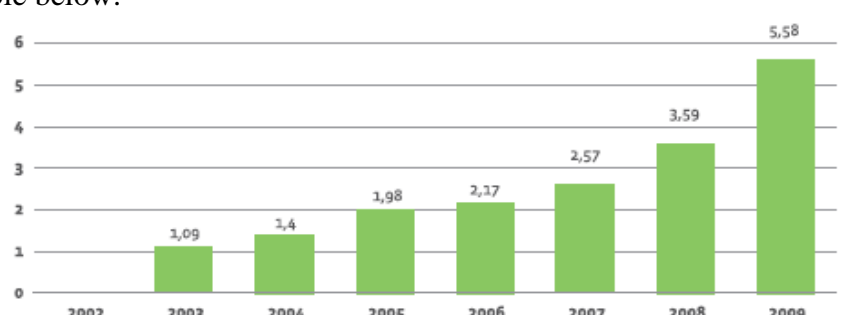
Countries with Cultural & Language similarities; and where GC did not entered yet

***Source: World Travel & Tourism Council**

**** Source: Central Intelligence Agency – The World Factbook**

***** Source: The Nielsen Company**

Appendix 6 – Political Context

Policy Incentives	Characteristics/Impacts																		
National Tourism Plan	<p>The amount of financing conceded to Tourism is increasing as we can see on the table below:</p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>0</td> </tr> <tr> <td>2003</td> <td>1.09</td> </tr> <tr> <td>2004</td> <td>1.4</td> </tr> <tr> <td>2005</td> <td>1.98</td> </tr> <tr> <td>2006</td> <td>2.17</td> </tr> <tr> <td>2007</td> <td>2.57</td> </tr> <tr> <td>2008</td> <td>3.59</td> </tr> <tr> <td>2009</td> <td>5.58</td> </tr> </tbody> </table>	Year	Amount	2002	0	2003	1.09	2004	1.4	2005	1.98	2006	2.17	2007	2.57	2008	3.59	2009	5.58
Year	Amount																		
2002	0																		
2003	1.09																		
2004	1.4																		
2005	1.98																		
2006	2.17																		
2007	2.57																		
2008	3.59																		
2009	5.58																		
Cartão Turismo CAIXA	<p>The credit is offered to the Tourist in a non bureaucratized way. The consumption has to be exclusively in expenses realized in establishments linked to tourism industry like: hotels, restaurants travel agencies, rent a car and thematic parks. Offers special consuming financing options such as 24 months of financing with a low interest rate. Not surprisingly, this has huge adherence from consumers and positive impacts on the internal Tourism. Between. 2006-2009, the conceded credit doubled from 59 million to 118.⁴³</p>																		
Pró-Copa Tourism credit	<p>This credit is specifically destined to the owners of businesses of the hospitality sector. The credit is aimed to reform, expand and build new hotels. The amount of R\$1 billion⁴⁴ (which for instance had already suffered an official announcement of an expansion) will be determinant and incentives the private initiative in what concerns: availability, term of payment, financial limit or spread.</p>																		
Plano Aquarela	<p>Outlines the strategies, guidelines and goals to promote the Brazilian Tourism abroad and project challenges until 2020 – includes the reception of the WC&OG events and the post events. It consists on the investment of more resources in promoting the Brazilian tourism product in the world. This includes promotional actions in diverse types of media and assistance on promotional events. In 2009 it were invested US\$ 40 million. In 2010 that value is expected to overlap 98 millions.⁴⁵</p>																		
Professional Qualification Program	<p>Improve the quality of the touristic services, both of the workers and the lodgings. This is a mean to certificate and create minimum service and product patterns. This is also aimed to affect positively the competitiveness of the sector and the ability to better serve the consumers. The program is expected to qualify more than 300.000 people until 2014.</p>																		
Fiscal and tax incentives	<p>Moreover, the private touristic activities count with fiscal & tax incentives, and extra financial services. Among them are the accelerated depreciation of assets and reduced tax rate on industrialized products.</p>																		

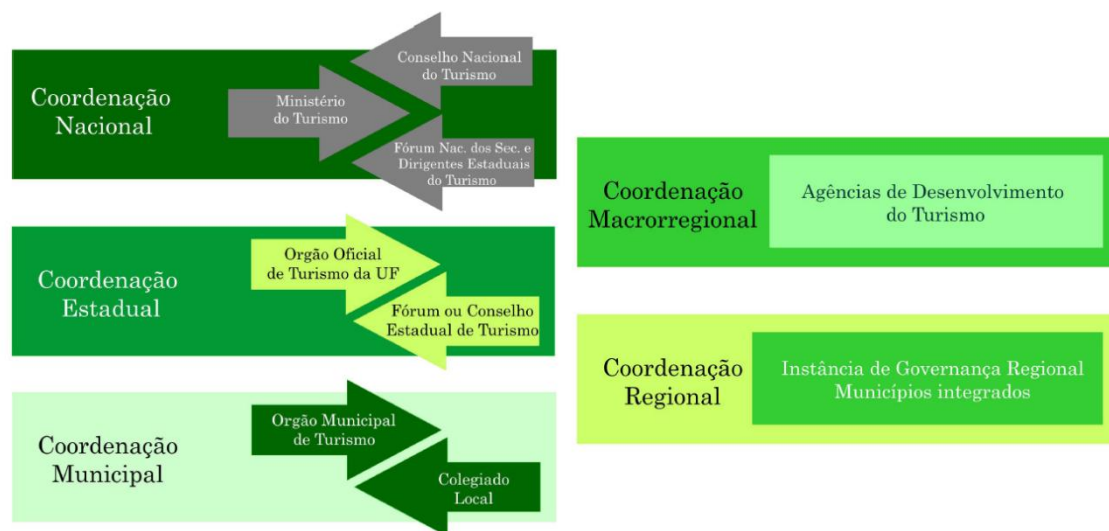
Source: Ministry of Tourism

Appendix 7 – Macro-environmental Analysis (PESTEL)

Political Analysis
<ul style="list-style-type: none"> • Brazil enjoys a political stability stage. That situation has contributed to apply several policy measures that contributed to battle social inequalities and to leverage economic growth. • In 2003, with the creation of the Ministry of Tourism, Embratur and other institutions related to the T&TI, contributed to the sector development and growth. • Mtur and Embartur have each year more financial resources to invest in the promotion actions of the Tourism to capacitate, qualify and promote the Brazilian tourism destinations, inside and outside the country. As a consequence, there are specific policy measures that are fomenting tourism industry in Brazil such as: the Aquarela plan, the ProCopa Credit, the Cartão Turismo Caixa and the Tourism National Plan. • Brazil follows a very international policy approach being member of several world organizations such as G8+5, G20, BASIC's, IBSA, BRICs, SACN and the Cairns Group. This has a significant impact in the development and dynamic of the economy and so in its sustainability and growth which will directly affect tourism sector. In the same line, there are an openness and receptiveness for FDI.
Economic
<ul style="list-style-type: none"> • It is the 10th largest economy of the world and the 13th T&TI • Inflation rate/interest rates are low; the unemployment rate decreased to 8%: • Thus, purchasing power increased and so did the internal consumer, including tourism practices and the industry advance. • Brazil is also the 13th largest host country in FDI. (External trade and investment are responsible for 25-30% of the national income) • The currency is getting stronger (nowadays the exchange rate is nearly USD1 = BRL1,70 which capacitates the hotels with a higher purchasing power
Social
<ul style="list-style-type: none"> • Brazil is the 5th most populous country in the world with approximately 200 million habitants • In spite of 26% of population live below poverty line Social inequalities are decreasing (fell from 31% in 2009) which makes Brazil closer to a developed country • Population is very concentrated, and 86% of the people lives in urban areas • In spite of a literacy rate is 88,6%, the country lacks of qualified people
Technological
<ul style="list-style-type: none"> • 32% has PC; 16% are internet subscribers; and almost 90% of SIM Penetration • There are 65 million internet users and 36 million social network accounts
Environmental
<ul style="list-style-type: none"> • Policies on alternative energy are boosting the country and bringing beneficial results to Brazil's economy capitalizing its resources and expanding the bio-fuels orhydro-electric industries.
Legal
<ul style="list-style-type: none"> • According to the World Bank, Brazil ranks 127th in doing a business. Thus, it is not a very attractive country for businesses in terms of bureaucracy and procedures. Many business groups and international organizations had inclusively point the need to improve regulatory tax system and financial access. • On the other hand, there are FDI incentives and residual law restrictions to operate in Brazil

• *Main Sources: World Bank, CIA; and brazilinvestment.blog*

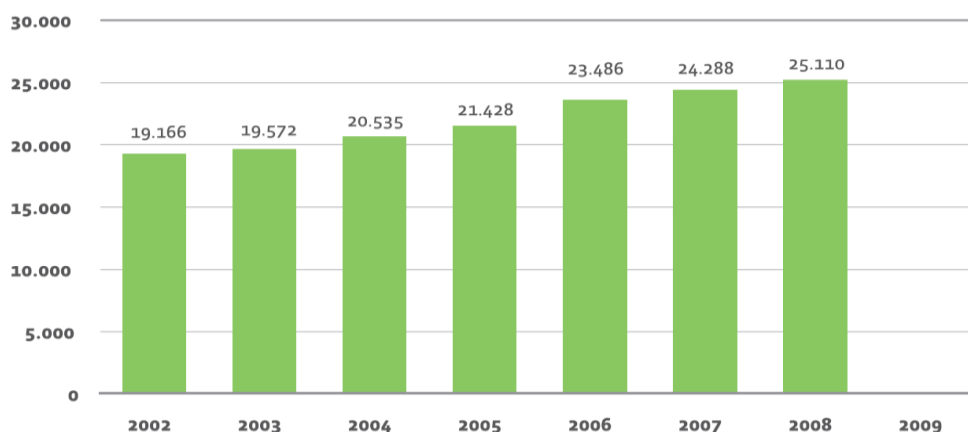
Appendix 8 – Brazil Market Structure



Source: Ministry of Tourism

Appendix 9 – Brazil hotel's numbers and performance

Estabelecimentos Hoteleiros e outros tipos de Alojamento Temporário (unidade)



* Dado não disponível na data de elaboração deste documento.

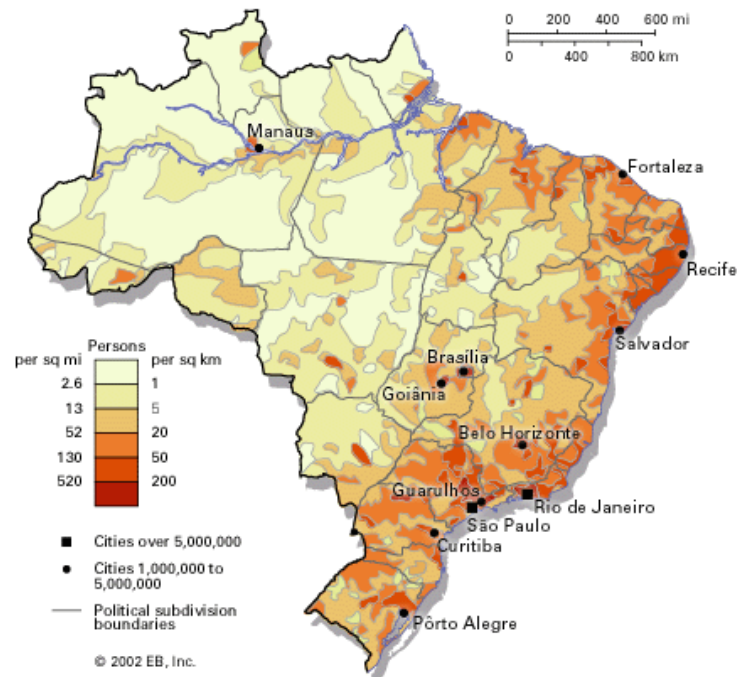
Source: RAIS/MTE

Faturamento da iniciativa privada (% em relação ao ano anterior)

Faturamento da iniciativa privada (% em relação ao ano anterior)						
CATEGORIA/ANO	2004	2005	2006	2007	2008	2009
AGÊNCIA DE VIAGENS	20,1	2,8	17,7	-1,8	25,6	-4,7
MEIOS DE HOSPEDAGEM	17,5	23,5	12,0	12,9	19,9	2,9
OPERADORAS	47,0	17,3	18,5	18,1	47,1	2,9
FEIRAS E EVENTOS	5,7	13,9	27,3	19,5	13,5	11,8
LOCADORAS DE AUTOMÓVEIS	23,3	33,0	42,9	24,1	47,0	1,7
COMPANHIAS AÉREAS	-	21,5	22,8	22,8	30,1	1,2
TRANSPORTES RODOVIÁRIOS	-	-	-	2,0	12,6	2,6
TURISMO RECEPTIVO	13,5	15,0	-4,2	22,1	13,3	-29,4

Source: FGV/Mtur

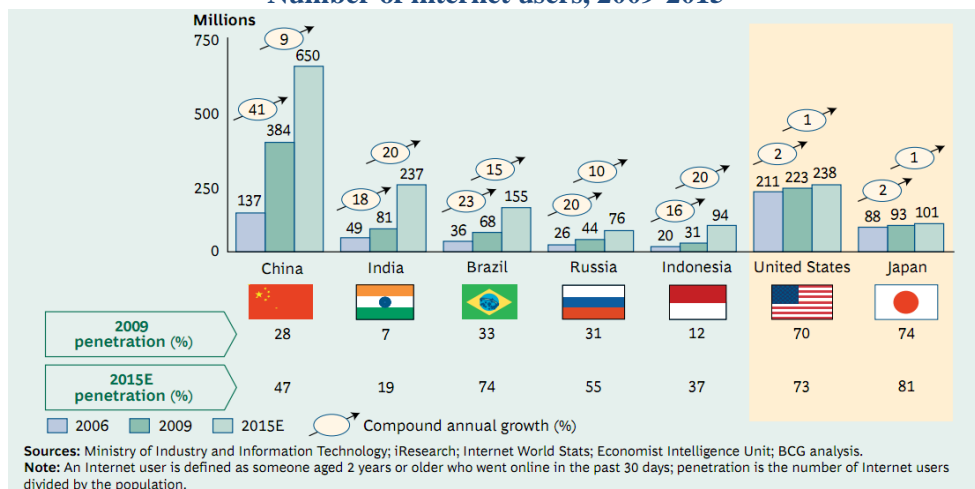
Appendix 10 – Brazil Geographical Segmentation



Source: <http://qwickstep.com/search/population-in-brazil.html>

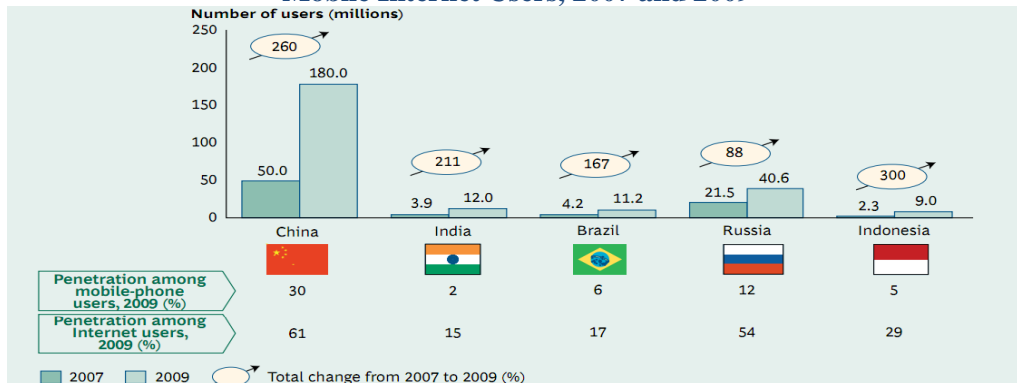
Appendix 11 – Consumer Patterns

Number of internet users, 2009-2015

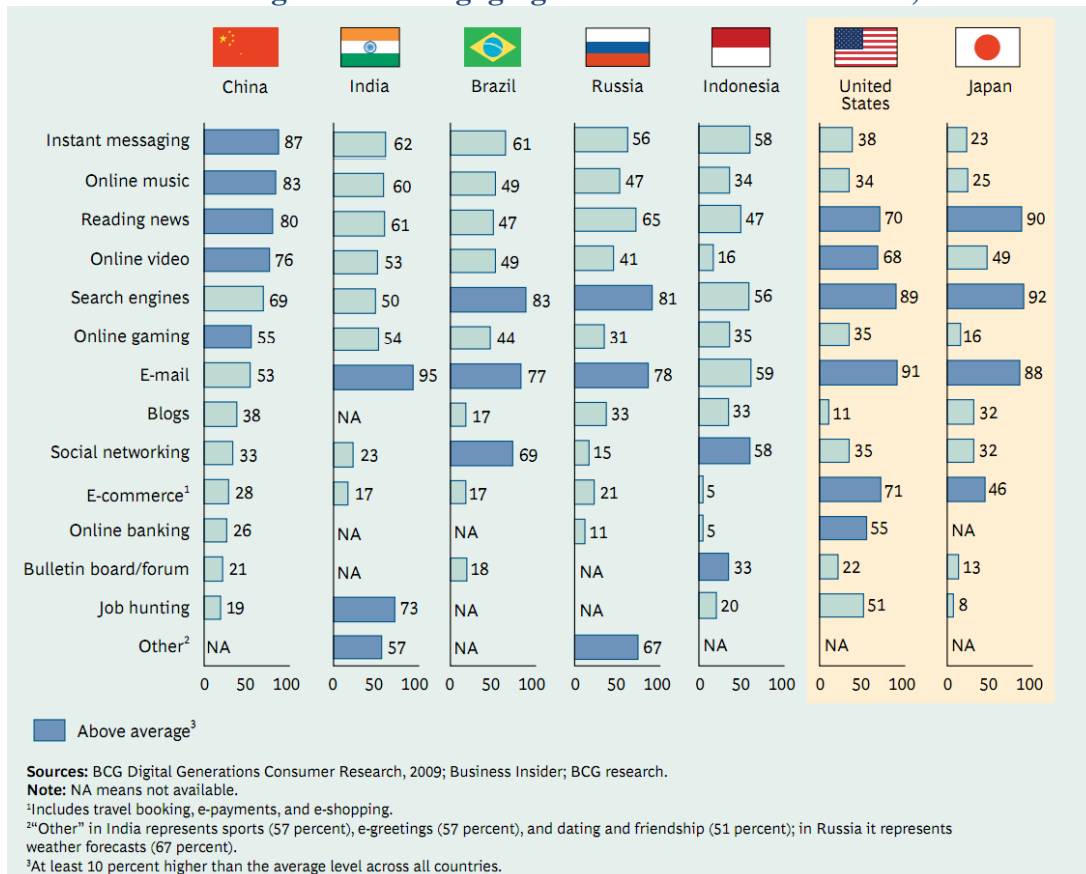


Source: Boston Consulting Group

Mobile Internet Users, 2007 and 2009



Percentage of users engaging in various online activities, 2009



Source: Boston Consulting Group

Social Networking sites usage

Top Social Networking Sites in Brazil by Unique Visitors August 2010 Total Brazil Internet Audience*, Age 15+ - Home & Work Locations Source: comScore Media Metrix				
	Total Unique Visitors (000)	Average Minutes per Visitor	Average Pages per Visitor	Average Visits per Visitor
Total Internet Persons: 15+	37,527	1,561.0	2,109	58.0
Social Networking	36,059	252.6	585	32.4
Orkut	29,411	275.8	657	35.8
Windows Live Profile	12,529	5.5	12	3.7
Facebook.com	8,887	29.3	55	6.6
Twitter.com	8,621	31.8	44	7.5
Formspring.me	3,638	34.8	57	9.0
Sonico.com	1,711	10.0	15	2.9
Ning.com	1,570	6.4	10	2.4
LinkedIn.com	1,471	10.7	26	2.6
Multiply.com	1,349	3.6	5	1.6
Vostu.com	1,130	2.2	2	1.7

* Excludes traffic from public computers such as Internet cafes or access from mobile phones or PDAs.

Source: <http://www.comscore.com/>

Appendix 12 – Brazil Market & Industry attractively analysis

Strengths	Weaknesses
<p>Emerging Potency</p> <ul style="list-style-type: none"> • Stable currency • One of the highest international reserves worldwide • Increasing external trade and competitiveness • Leading bio energy, wind and hydro-electric industries • Well-regulated banking system • Increasing of the population purchasing power <p>Wide range of tourism attractions</p> <ul style="list-style-type: none"> • 6th largest world country in terms of heritages sites (UNWTO) • 7.500 miles of coastline • Largely warm climate • 20% of the world fresh water reserves • 1/3 of the world's rainforests <p>High Infrastructural investments</p> <ul style="list-style-type: none"> • Airports building and expansion plans • Roads construction • High speed rail line being constructed between Rio and São Paulo <p>Political Stability and Ambition</p> <ul style="list-style-type: none"> • Several favorable Trade Agreements • Growth Acceleration Program: environmental regulatory frameworks; encourages credit; tax relief; long-term fiscal reforms • Several and specific programs to boost the sector: Aquarela Plan; Pró-copa Tourism credit; or Professional Qualification program 	<p>Social and Regional Inequalities</p> <ul style="list-style-type: none"> • ¼ of the population below poverty line • High criminality indexes, low security and safety for travelers • The country is contrasted by the developed South and the undeveloped north <p>Deprived Infrastructures</p> <ul style="list-style-type: none"> • Small rail network • Poor quality highway system • Main cities suffer from traffic congestion <p>Geographic position</p> <ul style="list-style-type: none"> • Distance form developed economies can compromise tourist options • Stronger currency also makes the destination less attractive <p>The industry is still quite premature</p> <ul style="list-style-type: none"> • Lacks of qualified people • Lacks of standardization of the lodging facilities • Financial credit is not easily conceded • Complicated procedures (bureaucracy) to engage economic activities • Extremely fragmented industry lacked a single voice
Opportunities	Threats
<ul style="list-style-type: none"> • High Market growth • Incentives to development (high dynamism) • Market is still in a very premature stage yet: still use phone to make reservations • No competitors • Stronger Currency increases hotels purchasing power • 13th largest tourism market in the world • 70 million internet users (5th largest) • 36 million SN accounts (3rd largest) 	<ul style="list-style-type: none"> • If the country will be able to keep the sustainable growth • Industry can become vulnerable after the WC&OG events • Financial and political programs do not create a positive impact on the field • Regional disparities and lack of good infrastructures • Lack of skilled people might compromise the use/purchase of SaaS

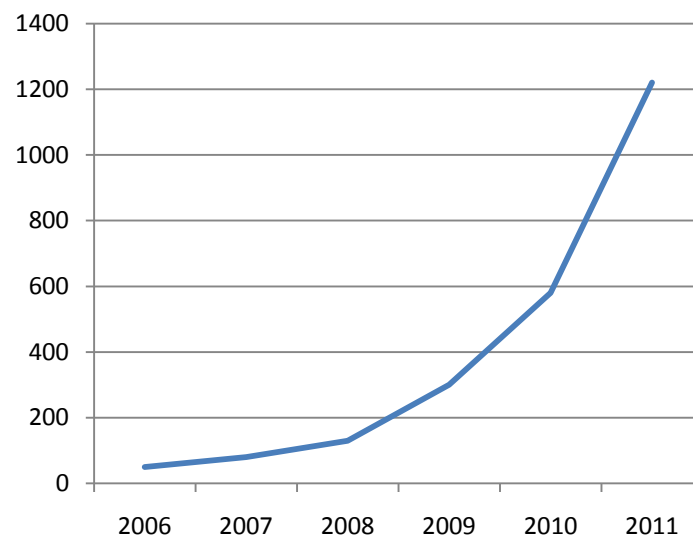
Appendix 13 –Costs Prediction & Sales Forecast

Activities	Quantity	Estimated cost
Round trips Portugal-Brasil	4x2*	12.000€
Accommodation	12 nights	1.200€
Food	15 days	800€
Other costs (transportation, events tickets, etc)	Diverse	600€
Total		14.600€

*CEO should make 2 business trips alone one to SP and the other to RJ and then a third one, now with the SM to SP to give him some field instructions.

GuestCentric Historical Evolution & Predictions (<i>Source: GuestCentric</i>)								
Year	2006	2007	2008	2009	2010	2011	2012	2013
Number of Customers	50	80	130	300	580	1220	3240	8843
Growth Rate	-	160%	163%	231%	193%	210%	266%	273%
World Market Share*	0,01%	0,02%	0,03%	0,08%	0,15%	0,31%	0,81%	2,21%

GuestCentric number of customers (2006-2011)



Webbusiness Serviços de Informática (Case Study)				
Year	2000	2001	2010	
Number of customers	0	50	1300	
Average Growth Rate	-	-	138%	
Brazil Market Share*	0%	0,2%	5.20%	
Brazil Direct Sales Approach (Forecast)				
Year	2010	2011	2012	2013
Number of Customers	8	100	230	582
Growth Rate**	-	-	230%	253%
Brazil Market Share ⁺	0,03%	0,37%	0,85%	2,33%

*There are approximately 400.000 Small/Medium Hotels in the World (According to GuestCentric)

**Investment in Brazil grew 5,9% during the 2000's and is expected to grow 9,9% in 2010's – WTTC

⁺There are approximately 25,000 Small/Medium Hotels in Brazil (According to Mtur)

Appendix 14 – Extended Implementation Plan Proposal

Phase		Actions / Timeline	2011						2012		2013		2014	
			Feb	Mar	Apr	May	June	2S	1S	2S	1S	2S	1S	2S
Pre-Entrance	Market Analysis	Business Trips <ul style="list-style-type: none"> Country/Industry/Customer profile induction Work meetings* Participation in events and fairs*** 												
		Competitor analysis <ul style="list-style-type: none"> Identifying local firms Infer possible partnerships* Finding out GC's positioning Perfecting Modes of entry concept <ul style="list-style-type: none"> Direct selling: Sales Team Indirect selling: potential partners* Costs Prediction <ul style="list-style-type: none"> Facility and equipment requirements Human Resources Product adaptations Sales forecasts Make the product upgrades Legal Restrictions**												
Entrance	Market Entry	Sales Team creation <ul style="list-style-type: none"> Recruitment Training Market segmentation (defining targets) Direct Marketing <ul style="list-style-type: none"> Door-to-door sales Call center Mass Mailing 												
	Market Penetration	Monitoring Promotion activities <ul style="list-style-type: none"> Sponsors Partnerships** Events*** 												
Pos-Entrance	Market Consolidation	Preparing WC 2014 <ul style="list-style-type: none"> Increase the staff Promote a SA to SM Junior 												
	International Expansion	Seeking new markets <ul style="list-style-type: none"> Delegate SM junior to Senior Argentina, Venezuela and Mexico 												

*Stakeholders with a potential interest for GC's for the Brazilian internationalization process			
Public Entities	Private entities	Ressellers	Media
Ministério dos Negócios Estrangeiros Português	Associação de Hoteis & Roteiros de Charme	Smartbox.com.br	Jornal de Turismo
EMBRATUR and Ministério do Turismo	Associação Brasileira de Gastronomia, Hospedagem e Turismo (ABRESI)	Multiform.com.br	Diário de Turismo
Associação Brasileira Industria de Hoteis (ABIH)	Brazilian Luxury Travel Association	Brasilhotelaria.com.br	Jornal Oficial da ABTR
Brazilian Foreign Trade Association	Premier Eventos	-	Guia 4 Rodas
ADETUR	Associação Brasileira de Turismo Rural (ABTR)	-	Revista Veja

**Legal Restrictions		
Sales Manager (Portuguese Worker)	Sales Agents (Native workers)	Firm perspective
According to the Artº 18 from the Chapter I of the Title II of the 6.815 law on the Immigrant National Consul, a foreign is subject to: “granting a permanent visa, for a maximum period of 5 years, enabling him to exercise economic activities and to fixate in a determined region within the national territory”. <i>This visa normally requires 30-20 days</i>	8.212/91 Fedral Law: “Autonomous person is the worker that exercise under his own account economic activities for, one or more firms, with or without profits “	According to the 129th Art of the 11.196/05 Law, the contracting of services provided by persons under the autonomous juridical condition, is legal for both parts as long as there is no permanent link contract between them.

***Brazil Business & Cultural Agenda – Principal Tourism Events and Fairs (in 2011)					
Event	Data	Local	Organizer	Work theme	Objectives
Palestra & Treinamentos SEO	28 January	São Paulo	Premier Brazil Eventos and SEO Agency	Presentation, discussion and training on the e-Commerce E-marketing and e-Business tendencies on Brazil.	<ul style="list-style-type: none"> • Understand market contingencies and trends • Create b-networks
Encontro Comercial Braztoa	24-25 March	São Paulo Centro de convenções de Frei Caneca	Braztoa Associação brasileira das operadoras de turismo	Promote commercial relations between Braztoa associates and hotels and other suppliers. Mediate and arbitrate, if required, relations between its members and the tourism industry sector players'	<ul style="list-style-type: none"> • Understand market functioning • Know travel agencies market leaders • Identify gaps and look for opportunities • Re-think GC's positioning
	22-23 September				
	13 April	Rio de Janeiro Firjan			
BNT Brasil	27-28 March	Santa Catarina Município da Penha, Beto Carrero World	BNT MERCOSUL	Bring together professionals of the tourism industry to generate business between suppliers and buyers from Brazil and MERCOSUR: "...creating an ideal setting for those wishing to make business contacts!"	<ul style="list-style-type: none"> • Create b-networks • Find potential partners • Find potential clients
Salão de Turismo	May	São Paulo	Ministério do Turismo and SABRAE	Encourages the formation of partnerships, business generation and strengthening of links across the tourism industry. Through the formation of a committee representative of the destination / route, there is active participation of official agencies of Tourism, Regional SEBRAE who, along with entrepreneurs and suppliers.	<ul style="list-style-type: none"> • Understand market legal and contingencies functioning • Strength business networking • Create partnerships
Festival de Turismo das Cataratas de Iguaçu	16-18 June	Foz do Iguaçu Rafain Palace hotel & Convention Center	Polo Iguassu Feiras e Eventos	Proportionate business developments through promotion and commercialization of tourism products. Foster the integration between clients and suppliers and dissemination of new TI techniques.	<ul style="list-style-type: none"> • Explore other geographic segments of Brazil • Look for business contacts • Search for clients
Equipotel	12-15 September	São Paulo Pavilhão de exposições do Anhembi	Grupo Equipotel	Business and relationships vital pole to the success of companies in the hospitality, gastronomy, food and tourism. Releases, trends, technological innovation and services are in exposition	<ul style="list-style-type: none"> • Good opportunity to make the first appearance in a fair • Exhibitors are available for a fee
Feira das Américas	20-22 October	Rio de Janeiro Riocentro Exhibition Center	ABAV Associação Brasileira das Agências de Viagem	Tourism professionals meet to exchange information, learn about new products and have contact with the main trends of expanding the tourism market.	<ul style="list-style-type: none"> • Create b-networks • Find potential partners • Find potential clients

Sources: <http://www.seopositionnet.com/> <http://www.braztoa.com.br/> <http://www.bntmercosul.com.br/novo/> <http://www.salao.turismo.gov.br/>

<http://www.festivaldeturismodascataratas.com/> www.novaequipotel.com.br <http://www.feiradasamericas.com.br>

Appendix 15 – Business Etiquette and Protocols

Some tips

- Brazilians like to know about your company, and the people with whom they negotiate
- The individual they deal with is more important than the firm he represents
- Give time to know each other. Let the Brazilian colleagues raise the subject
- Give time to the negotiation itself (Brazilians like to know all the details)
- Do not change SAs or you will have to start right from the beginning
- Communication is habitually informal without many protocols – it is acceptable to interrupt and generally people add their opinion when have something to say
- Brazilians insist in detailed legal contracts, when it concerns to businesses
- Refer meeting work theme on short notice in some days in advance
- Confirm meeting in writing. Appointments are not normally changed at the last minute
- In São Paulo and Brasilia schedules must be met. In other cities you can arrive a few minutes late (Including Rio)
- Do not show impatience with them, either with your colleagues or time passing.
- Business cards are changed at the end of the meetings. Ensure Portuguese at the side face

Glossary

- **B2B** Business-to-business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Contrasting terms are business-to-consumer (B2C) and business-to-government (B2G).

Source: <http://en.wikipedia.org/wiki/Business-to-business>

- **Dot.com firm**, A company whose operations are entirely or primarily internet-based, or more specifically a company whose business model would not be possible if the internet did not exist. Dotcoms often deliver all their services over an internet interface, but products might be delivered through traditional channels as well.

Source: http://www.investorwords.com/1549/dot_com.html

- **Electronic commerce**, commonly known as e-commerce or eCommerce, or e-business consists of the buying and selling of products or services over electronic systems such as the Internet and other computer networks.

Source: http://en.wikipedia.org/wiki/Electronic_commerce

- **Fragmented Industries**, have many small competitors and have structural factors that inhibit concentration like: low barriers to entry or highly specialized market for goods and services requires extreme specialization by firms.

Source: <http://planningskills.com/glossary/186.php>

- **GDP** is a measure of a country's overall economic output. It is the market value of all final goods and services made within the borders of a country in a year. It is often positively correlated with the standard of living.

Source: http://en.wikipedia.org/wiki/Gross_domestic_product

- **GDS - Global distribution systems** (GDSs) - Electronic travel distribution networks that facilitate connectivity, shopping, and booking among thousands of travel suppliers and more than 163,000 travel agencies around the world.

• *Source:* *European Technology & Travel Association*

- **Mass Customization**, Mass customizers can customize products quickly for individual customers or for niche markets at better than mass production efficiency and speed. Using the same principles, mass customizers can Build-to-Order both customized products and standard products without forecasts, inventory, or purchasing delays.

Source: <http://www.build-to-order-consulting.com/mc.htm>

- **Online travel agency (OTA)** - An entity whose branding is oriented online and that principally conducts business online. There are several hundred online travel agencies in the U.S. and Europe (defined as a travel agency for which at least 50% of sales are derived online).

• *Source:* *European Technology & Travel Association*

- **Resource** is an asset, competency, process, skill or knowledge controlled by the corporation.

Source: *Strategic Management and Business Policy*, chapter 4, T.Wheelen & J.D. Hunger

- **SIM Card** – Subscriber Identity Module, is a smart card that stores data for GSM cellular telephone subscribers. Such data includes user identity, location and phone number, contact lists and stored text messages.

Source: <http://searchmobilecomputing.techtarget.com/definition/SIM-card>

- **Software as a service (SaaS)**, is a software delivery method that provides access to software and its functions remotely as a Web-based service. SaaS allows organizations to access business functionality at a cost typically less than paying for licensed applications since SaaS pricing is based on a monthly fee. Also, because the software is hosted remotely, users don't need to invest in additional hardware. SaaS removes the need for organizations to handle the installation, set-up and often daily upkeep and maintenance.

Source: <http://www.webopedia.com/TERM/S/SaaS.html>

- **Tour operators**, Tour operators procure inventory from travel suppliers, such as flights, hotel rooms, and other services, and create travel packages for resale to travelers directly or via travel agents. Most tour operators also add their own value or service into a package, such as a travel guide, receptive services in destination, or premium access to events and attractions. There are a wide variety of tour operators and tour operating models, from price-driven packagers offering many destinations and packages to highly specialized operators that may specialize in distinct destinations or types of travel.

• *Source:* European Technology & Travel Association

- **Travel “e-tailing”**, The selling of retail goods on the Internet. Short for “electronic retailing,” e-tailing refers to the creation of a rich and engaging consumer shopping experience online, just as physical retail stores invest in the atmosphere and design of their stores to deliver a high quality experience that fosters consumer purchasing.

• *Source:* European Technology & Travel Association

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⁴ **Source:** World Tourism Organization : <http://www.unwto.org/facts/eng/economy.htm>

⁵ **Source:** PhoCusWright Inc. and Euromonitor International

⁶ **Source:** European Travel Technology Services Association: Technology and Independent Distribution in the European Travel Industry/ Appendix 3

⁷ **Source:** PhoCusWright Europe Online Travel (Overview 5th Edition) (November 2009)

⁸ **According to** ET TSA, the top 6 OTAs account for half percentage of the market. Among them are Expedia, Booking and Orbitz.

⁹ **Source:** European Travel Technology Services Association

¹⁰ **Source:** PhoCusWright

¹¹ **Example:** Thomson & Thomas Cook. Normally TOs gain cost advantages on OTAs through economies of scale.

¹² **Example:** Typically software & technology providers like Amadeus and Sabre or SaaS like GuestCentric

¹³ **Example:** Tripsay.com and NileGuide.com

¹⁴ Travel Comparison Websites (TCWs) use intelligent agent technology to help their users sort the information available for a particular travel related query and make comparisons between the alternatives available before making a booking decision. Source: “Travel Comparison Websites: An Old Friend with New Clothes” Alexandras

Paraskevas and Kyriakos Kontoyiannis, Department of Hospitality, Tourism and Leisure Management Business School Oxford Brookes University, United Kingdom

¹⁵ **Example:** Skyscanner.com and Momondo.com

¹⁶ **Source:** “Smart Hotelier’s Guide to 2011 Internet Marketing Budget Planning”, by Max Starkov and Mariana Mechoso Safer - Hospitality eBusiness Strategies 2010

¹⁷ **Source:** “Déjà Vu: The Billion Dollar “Leakage” Continues to Drain the Hospitality Industry”, by Max Starkov - Hospitality eBusiness Strategies 2010

¹⁸ **According to** ABC Studies & Hermes’s analysis, OTAs charge margins of 12,8% while offline travel agencies charge 13,8% (on average).

¹⁹ **Source:** Guestcentric.com

²⁰ **Source:** “Marketing Management”, by Phillip Kotler and Kevin Keller

²¹ **Note:** GC has a supplier to whom rents a server with infinite capacity which can be enlarged as it has more customers

²² **Source:** “Contemporary Strategy Analysis Content”, by Robert Grant

²³ **Source:** “Essentials of Strategic Management”, by **Charles Hill and Gareth Jones**

²⁴ **Source:** World Travel & Tourism Council

²⁵ **Source:** Central Intelligence Agency

²⁶ **Source:** <http://www.economist.com/node/14742466>

²⁷ **Source:** The World Bank

²⁸ **Source:** Central Bank of Brazil

²⁹ **Source:** Instituto Brasileiro de Geografia e Estatística

³⁰ **Source:** Central Bank of Brazil (<http://www.bcb.gov.br/?CAMBIO>)

³¹ Paul J. Sistare (CEO and President, Atlantica Hotels International), referring to the Brazil Tourism industry

³² **Source:** United Nations World Tourism Organization (UNWTO)

³³ Quote extracted from the report “Turismo no Brasil 2011-2014”, Brazil Ministry of Tourism

³⁴ **Source:** World Travel & Tourism Council

³⁵ **Source:** Boston Consulting Group

³⁶ <http://www.webbusiness.com.br/produtos/software-de-gestao-hoteleira.php>

³⁷ Consultehoteis.com.br and http://www.e-commerce.org.br/quem_somos.php

³⁸ **Source:** International Business Daniels

³⁹ **Source:** Johnston, Marshall 2006 pp97

⁴⁰ **Source:** <http://www.dsai.ie/wfdsa.htm>

⁴¹ http://www.mte.gov.br/sal_min/default.asp, Artº 62

⁴² <http://www.guestcentric.com/case-studies/>

⁴³ **Source:** Caixa Economica Federal

⁴⁴ **Source:** Banco Nacional de Desenvolvimento Economico e Social (BNDES)

⁴⁵ **Source:** Ministry of Tourism and Embratur